



News Release

FOR IMMEDIATE RELEASE

PLAYMEDIA® SYSTEMS TO PUT LOW-COST MPEG-4 VIDEO PLAYBACK INSIDE INTEL'S NEXT-GENERATION PROCESSORS

Leading Digital Audiovisual Software Developer to Enable Global Video Standard and Special Security Capabilities for Intel® PXA210 and PXA250 applications processors-Powered Devices

Las Vegas, NV – March 18, 2002 – PlayMedia Systems, Inc. a world leader in MP3 and an innovator in related audiovisual technologies announced today that it has developed and optimized its newly-released MPEG-4 video player to support the Intel® PXA210 and PXA250 Applications Processors.

PlayMedia's new M4V-D Video Decoding Engine will enable innovative consumer electronics manufacturers to add high-quality video to their Intel® PXA210 and PXA250 Applications Processors-based devices such as mobile phones, personal digital assistants and portable video players. A key differentiator for PlayMedia's M4V-D is that it will be offered to consumer electronics manufacturers with an eye to low cost and flexible implementation.

The M4V-D MPEG-4 Video Decoding Engine offers the following features:

- M4V-D is a 100% Fixed Point, 32-bit Implementation
- M4V-D is currently optimized for Intel® x86 and the Intel® PXA210 and PXA250 Applications Processors
- Allows Multiple Streams Decoding enabling simultaneous decode processes
- Post processing options available include color conversion and filtering
- Buffer-Based Decoding, User-Configurable Buffers will reduce programming complexity and enable more flexible video system design
- MPEG-4, Simple Profile Compliance means compatibility with all MPEG-4 variants including "DivX™" video
- Digital Rights Management (DRM) support for PlayMedia's QPQ and 3rd party vendors
- Positioned as a high-quality, low-cost solution for MPEG-4 video
- Beta release is available now, full release in the third quarter of 2002
- PlayMedia's corresponding M4V-D MPEG-4 Video Encoder is scheduled for release by the end of the year

The M4V MPEG-4 Video Decoding Engine joins PlayMedia's other well-regarded MPEG technologies on the audio side. These include the AMP® MP3 Decoding Engine and NewArk™

Advanced Audiovisual Framework. All provide outstanding rendering of audio/visual content on both the Intel PXA210 and Intel PXA250 Applications Processors.

"Innovative companies like PlayMedia Systems demonstrate the commitment of the industry to the Intel® Personal Internet Client Architecture (Intel PCA) in the rapidly growing mobile media marketplace," said Mark Casey, Director of Marketing for Intel's Handheld Computing Division. "The optimization of PlayMedia Systems' MPEG-4 video technologies for Intel PXA210 and Intel PXA250 Applications Processors will offer mobile device manufacturers the ability to satisfy consumers' demands for high quality digital video playback on mobile devices. "

Importantly, given the current emphasis placed on controlled access to digital assets by leading copyright holders, the M4V-D MPEG-4 Video Decoder supports digital rights management (DRM) technologies from PlayMedia and third-party providers.

"The Intel PXA210 and PXA250 Applications Processors provide PlayMedia with a powerful embedded systems environment within which our highly optimized MPEG-4 video decoder technology can efficiently render excellent audiovisual experiences from within the next generation of pervasive computing devices." said Dr. Mario Kovac, PlayMedia Systems' chief technology officer.

"The high performance and low power consumption of the Intel PXA210 and PXA250 Applications Processors enables our M4V-D MPEG-4 Video Decoder to perform efficiently on a single processor while helping reduce the amount of battery power required. Developers can also configure how much RAM is allocated to decoding tasks thus providing manufacturers with flexibility to reduce costs with a single-chip design as well as allow for more efficient usage of system resources-especially battery life," said Kovac.

"Consumers insist on the ability to experience high-quality video not only on the PC, but wherever they happen to be," said Brian D. Litman, chairman and CEO of PlayMedia. "This is driving demand for a full spectrum of mobile MPEG-4-enabled consumer electronics devices such as portable digital video players, handheld computers, mobile phones and car stereos that can not only play the music, but also show the artists themselves. Between our M4V-D MPEG-4 Video Decoder and advanced NewArk™ Audiovisual Framework, all optimized for Intel PXA210 and PXA250 Applications Processors, the Intel - PlayMedia combination give consumer electronics manufacturers all the elements they need to enable to offer powerful audiovisual features to consumers as well as technologies which, when activated, can enable rights holders to be properly compensated using new business models," he said.

PlayMedia's M4V-D MPEG-4 Video Decoder technology currently runs on Microsoft® Pocket PC™ and Microsoft Windows®. Ports to Unix/Linux and their derivatives, Symbian® OS and Palm OS™ are due for completion during the course of 2002.

M4V-D is also supported on the dominant mobile telephony systems, including GSM, GPRS, 3G, CDMA, CDPD and WCDMA. This support enables consumers to conveniently transfer content to and from their portable devices using these protocols.

About PlayMedia Systems, Inc.

PlayMedia Systems Inc. designs, develops and deploys audiovisual and security software and systems that support viable business models for digital content distribution and related e-commerce. PlayMedia licenses its audiovisual playback algorithms such as its branded AMP® MP3 playback engine to leading media companies including AOL/TimeWarner. Such major content distributors employ its security systems and custom audio algorithms as DMX Music, Inc., the largest business-to-business music distributor in the world. PlayMedia also provides ports of its audiovisual playback software, which support leading microprocessors from such makers such as Intel®. PlayMedia maintains an active consultative engineering practice, whose beneficiaries include Napster, Inc. and DirecTV®. PlayMedia's ever-evolving media systems and conditional-

access technologies enable media, travel and event-marketing companies to maximize the value of their digital assets and inventory by empowering consumers to access these experiences in secure, yet convenient ways.

PlayMedia was founded in January 1998 and is headquartered in Nevada.

PlayMedia® and AMP® are registered trademarks of PlayMedia Systems, Inc. All other trademarks are property of their respective owners.

###

PlayMedia Systems Contacts:

Wayne Rosso

Wayne Rosso Communications

Tel: +1-757-422-4722

Email: wrosso@cox.net

Developer Relations

PlayMedia Systems, Inc.

Tel: +1-702-920-8850

Email: devs@playmediasystems.com